

CHAPTER 7 TRUSTEE QUESTIONNAIRE ON ASSET ADMINISTRATION

Directions for the trustee: Please complete and return this asset administration questionnaire (AAQ) to this office by _____. A yes response does not require a comment (unless otherwise indicated). A no response requires a thorough comment in the space provided (attach additional pages as necessary). If you have not yet encountered the situation described, please indicate how you would handle the situation if it comes up in the future. References to “you” or “trustee” refer to the chapter 7 trustee personally. Where possible, references to the 2001 edition of the Handbook for Chapter 7 Trustees are shown in parentheses. This questionnaire is available on disk, upon request.

I. General Information

Trustee name: _____

Initial Appointment Date: _____ Judicial District: _____

Other profession (if any): _____

II. Asset Administration

Y = YES; N = NO		Y	N
A	General Case Administration Procedures		
1	Briefly describe how you or your staff track new case assignments: (<i>Handbook 3-1 to 3-3 and 5-1</i>)		
2	Briefly describe your procedure for screening new cases for possible conflicts of interest or lack of disinterestedness upon being appointed: (<i>Handbook 5-1 to 5-3</i>)		
3	How do you ensure that you meet case administration deadlines in the following areas: a) § 341(a) meetings (i.e. collection of information, continuances, etc.) (<i>Handbook 7-1 to 7-6</i>)		

Y = YES; N = NO		Y	N
	b) review of and objection to exemptions (<i>Handbook 6-5, 8-2</i>)		
	c) filing or referring discharge actions (<i>Handbook 6-6</i>)		
	d) monitoring claims bar dates (<i>Handbook 8-2</i>)		
	e) filing avoidance actions (<i>Handbook 8-11 to 8-14</i>)		
	f) filing and resolving claims objections (<i>Handbook 6-6, 8-32 to 8-33</i>)		
	g) submission of TFRs (<i>Handbook 6-8, 8-36 to 8-39, 8-40</i>)		
	h) submission of TDRs (<i>Handbook 6-8, 8-41 to 8-42</i>)		
B	Determination and Administration of an Asset Case		
1	a) Who determines that a case will be administered as an asset case? (<i>Handbook 6-2 to 6-3, 8-1</i>)		
	b) Describe when and how that determination is made: (<i>Handbook 6-3, 8-1</i>)		
	c) When is Form 1 prepared for a case? (<i>Handbook 9-8 to 9-9, Forms -3</i>)		
2	a) Do you have a minimum liquidation dollar amount for a case to be administered?		
	b) If yes, what is it? _____		
	c) How was the amount determined?		

Y = YES; N = NO		Y	N
3	a) Are debtor accounting records promptly obtained? (<i>Handbook 6-2, 7-1</i>) If no, comment:		
	b) If yes, describe when and how the records are obtained: <i>Please provide an example of correspondence used in this regard.</i>		
C	Identification and Valuation of Estate Assets		
1	a) In general, how do you determine the market value of the following types of estate assets: (<i>Handbook 6-3, 8-3, 8-28</i>)		
	(1) real property		
	(2) personal property		
	(3) receivables		
	(4) the debtor's interest in incorporated and unincorporated entities (e.g., corporations, partnerships, sole proprietorships)		
	(5) other assets (such as goodwill and intangibles)		
	b) How is this asset valuation documented? (<i>Handbook 8-3, 8-18, 8-28</i>)		
2	a) When considering the sale of real property, or the foreclosure of real property without abandonment, does someone perform an analysis of the tax consequences of this transaction? (<i>Handbook 8-3, 8-8, 8-17</i>) If no, comment:		
	b) If yes, who performs the analysis? _____		
3	Describe how you determine the validity of scheduled security interests? (<i>Handbook 8-3, 8-14, 8-17</i>)		
4	Describe how you review the financial affairs of the debtor for unscheduled assets: (<i>Handbook 6-2 to 6-6</i>)		

Y = YES; N = NO		Y	N
5	Describe how you evaluate whether the debtor has made any fraudulent or preferential transfers: (<i>Handbook 6-2 to 6-3, 8-12, 8-13</i>)		
6	In general, describe how you determine if the liquidation of estate assets will generate sufficient proceeds to ensure a distribution to priority and general unsecured creditors? (<i>Handbook 6-3, 8-3, 8-8, 8-17, 8-28</i>)		
	b) How is this determination documented? (<i>Handbook 8-3, 8-18, 8-28</i>)		
7	a) Describe how you decide which assets to abandon: (<i>Handbook 8-3 to 8-4</i>)		
	b) How are these decisions documented? (<i>Handbook 8-3 to 8-4</i>)		
D	Debtor Bank Accounts and Receivables		
1	a) Do you or your staff promptly secure the debtor's bank accounts? (<i>Handbook 6-2 to 6-4, 6-5, 7-1</i>) If no, comment:		
	b) If yes, explain when and how: <i>Please provide an example of correspondence used in this regard.</i>		
2	Do you or your staff promptly obtain the debtor's records for all types of receivables that have value for the estate? (<i>Handbook 6-2 to 6-4, 7-1, 9-14, 9-19</i>) If no, comment:		

Y = YES; N = NO		Y	N
3	a) Do you and your staff use an accounts receivable ¹ ledger (the debtor's or one that you create) to monitor collection? (<i>Handbook 9-14, 9-19</i>)		
	b) If yes, does the ledger contain the customer's or payer's name, balance due, amounts collected, and the status of your collection efforts? (<i>Handbook 9-14</i>) If no for either question, describe your methods to track and collect estate receivables: ¹ The accounts receivable ledger provides a convenient and concise method to monitor the collection of numerous accounts receivable, notes receivable, other periodic payments, as well as preference actions and other collectible items.		
4	Do you or your staff promptly send the initial demand letters to collect debtor receivables? (<i>Handbook 9-19</i>) If no, comment: <i>Please provide an example of correspondence used in this regard.</i>		
5	a) If you use a collection agent or other third party to collect receivables or other periodic payments, does the collection agent provide you with periodic status reports of the collection efforts undertaken, the monies collected, and the remaining balances due? (<i>Handbook 9-19; see also Handbook 8-24 and 8-26 regarding supervision of professionals</i>)		
	b) Do you retain a control copy of the accounts turned over to the collection agent and regularly annotate your copy based on the status reports provided by the collection agent? (<i>Handbook 9-19</i>)		
	c) Do you ensure that the collection agent turns the funds over to you and provides status reports in accordance with their agreement with you? (<i>Handbook 9-19</i>) If no for any question, comment:		
	d) Describe your procedures for monitoring the collection agent or third-party collector, including but not limited to, following up on any discrepancies between what has been collected and what has been turned over: (<i>Handbook 9-19</i>)		

Y = YES; N = NO		Y	N
E	Securing Real and Personal Property		
1	a) Describe your procedures for obtaining control over real and personal property that appears to have value for the estate (E.g, For buildings, do you change the locks, hire security guards, etc., when warranted? For personal property, do you personally and promptly gather and lock the property in a warehouse, storage facility, etc., wherein it is secured under lock and key?): <i>(Handbook 6-3 to 6-4)</i>		
	b) What other steps do you take to preserve the assets?		
2	In connection with securing the assets of a business: a) are the premise's locks promptly changed? <i>(Handbook 6-3 to 6-4)</i>		
	b) if the continued operation of the business would benefit the estate, do you promptly discuss this possibility with the United States Trustee and seek an order to operate the business? <i>(Handbook 8-15 to 8-16)</i>		
	c) if continued operation would not benefit the estate, do you verify that the business operations have ceased? <i>(Handbook 6-3 to 6-4)</i>		
	d) do you promptly re-direct the business mail to your office? <i>(Ref. 6-2 to 6-4 and 7-1 regarding obtaining debtor records and securing/collecting estate assets)</i> If no to any question, comment:		
3	a) Describe your procedures to promptly obtain casualty insurance in an amount sufficient to protect real and personal property that has value for the estate: <i>(Handbook 6-3 to 6-4)</i>		
	b) When do you request proof of insurance from the debtor and ensure that it is continued for the benefit of the estate? <i>(Handbook 6-4)</i>		
	c) If there is no insurance and there are no funds available, do you contact the secured creditor immediately? <i>(Handbook 6-4)</i>		
	d) When property with value to the estate cannot be insured, do you liquidate it as soon as possible in a reasonable manner? <i>(Handbook 6-4)</i>		

Y = YES; N = NO		Y	N
	<p>e) When uninsured property has no or nominal value to the estate (i.e., fully secured property), do you immediately abandon the property to avoid exposing the estate to liability? (<i>Handbook 6-4, 8-3</i>)</p> <p>If no to any question, explain your alternate procedures:</p>		
4	<p>If estate property is lost or stolen or damaged, do you promptly notify the United States Trustee and make an insurance claim? (<i>Handbook 6-4, 8-27, 8-28</i>) If no, comment:</p>		
5	<p>Describe the steps taken to abate or prevent environmental contamination by or to estate property: (<i>Handbook 6-5</i>)</p>		
F	Inventorying Personal Property (Furniture, Fixtures, Autos, Jewelry, Business Inventory, etc.)		
1	<p>a) Describe your procedures for inventorying personal property that has value for the estate: (<i>Handbook 6-4</i>)</p>		
	<p>b) Under what circumstances do you personally conduct the inventory? (<i>Handbook 6-4</i>)</p>		
	<p>c) Describe who else takes inventory and how you verify the accuracy of an inventory taken by others: (<i>Handbook 6-4, 8-28</i>)</p>		
	<p>d) Describe the various methods that you use to document the inventory (e.g., on the schedules, Form 1, separate written list, video tape) and the circumstances under which each method is used: (<i>Handbook 6-4</i>):</p>		

Y = YES; N = NO		Y	N
2	Describe your methods to ensure that: (<i>Handbook 6-4, 8-28</i>) a) the inventory reconciles to the schedules:		
	b) all personal property listed in the schedules or inventory has been accounted for:		
	c) the auctioneer or liquidator (if any) has accounted for all personal property turned over for sale:		
G	Asset Sales and Supervision of Sales Professionals		
2	Is the retention of sales professionals, such as appraisers, auctioneers/liquidators, and brokers, authorized by court order (if required) prior to employment? (<i>Handbook 8-21 to 8-28</i>) If no, comment:		
3	Are sales properly noticed and authorized by court order, if required, prior to conducting the sale? (<i>Handbook 8-17 through 8-21</i>) If no, comment:		
4	a) Do you monitor sales to ensure that your employees, the estate's professionals, the professionals' employees, and any family members do not bid on or buy estate property? (<i>Handbook 8-17 to 8-18</i>) If no, comment:		
	b) If yes, briefly describe your procedures:		
5	If you sell an asset under an installment contract, do you obtain and perfect a security interest in the property? (<i>Handbook 8-21</i>) If no, comment:		
6	a) (1) Do you use auctioneers/liquidators (online as well as traditional)? (<i>Handbook 8-26 to 8-28</i>) If no, comment:		
	(2) If yes, briefly describe your procedures for supervising them (i.e. attending auctions, thoroughly reviewing reports of sale, independently verifying reported information, etc.):		

Y = YES; N = NO		Y	N
	b) (1) Do you ensure that auctioneers/liquidators are bonded? (<i>Handbook 8-27</i>) If no, comment:		
	(2) Do you ensure that they maintain insurance coverage for lost or stolen property? (<i>Handbook 8-27</i>) If no, comment:		
	(3) If yes to either question, briefly describe your procedures:		
	c) (1) If the auctioneer/liquidator has possession of estate property prior to sale, do you periodically verify that the assets still exist and are in good condition? (<i>Handbook 8-27</i>) If no, comment:		
	(2) Briefly describe your procedures:		
	d) (1) Do you ensure that the report of sale and the sale proceeds are promptly received (i.e., within 30 days)? (<i>Handbook 8-28</i>) If no, comment:		
	(2) If the proceeds are not remitted by the auctioneer/liquidator within 30 days or in accordance with local rules, describe your procedures for securing the funds:		
	e) If you suspect that an auctioneer/liquidator misappropriated assets, do you promptly notify the United States Trustee and file a bond claim when necessary? (<i>Handbook 8-28</i>) If no, comment:		
H	Claims Review		
1	a) At what point do you or your staff request a claims register? (<i>Handbook 6-6, 8-2, and 8-32</i>)		
	b) Who performs the claims review? _____		
	c) Describe below your procedures for reviewing claims:		
2	Are objections to claims filed when appropriate? (<i>Handbook 8-32</i>) If no, comment:		

Y = YES; N = NO		Y	N
I	Other Issues		
1	a) Do you actively supervise attorneys and accountants employed on behalf of the estate? (<i>Handbook 8-21 to 8-26</i>) If no, comment:		
	b) If yes, briefly describe your procedures:		
2	Do you or your staff review professional fee applications for reasonableness and object or negotiate reductions, as appropriate? (<i>Handbook 8-29, 8-30 to 8-31</i>) If no, comment:		
3	Briefly describe your procedures to allocate the blanket bond premium among your chapter 7 asset cases: (<i>Handbook 5-5 and 9-3</i>)		

I certify that the foregoing responses are accurate and correct to the best of my knowledge.

Trustee's signature: _____ Date signed: _____